Scott. II-27—40,000—14-10-36.

Development (1939) Department.

MS SERIES.

G.O. No. 522

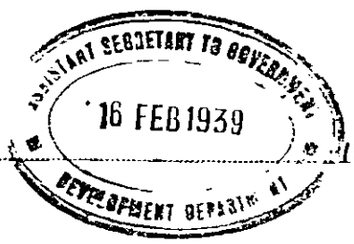
DATED 3 3 39

[Despatch Abstract.]

Industries - State Aid to Industries Act - Application from Sri N.P. Subbanna Bhat, Minjoor, South Kanara - Loan rejected.

C.F. 36.

DEPARTMENT.



Received ... 19 . . *Registered* 4662 19

Subject.

INDUSTRIES - State Aid to Industries Act - Application from Sri N.P. Subbanna Bhat, Ninjoor, South Kanara, for a loan of Rs.5,000/- under the - Submitting -

ENCLOSURES.
No. .....
.....
Spare copies .....

No. S.A. 35/38

Station Madras, *Dated the* 13th February 1939.

From (Name) V. Ramakrishna Esq., M.A., I.C.S.,
(Designation) Director of Industries & Commerce,

To The Secretary to the Government of Madras,
Development Department.

Sir,

Sri N.P. Subbanna Bhat, Ninjoor, has submitted an application for a loan of Rs.5,000/- under section 6(a) of the State Aid to Industries Act for the purpose of starting a soap and chemical works for the manufacture of soaps, disinfectants, cosmetics, etc. The applicant states that he does not at present possess the required capital to start the industry and he therefore proposes to start it on receipt of the loan of Rs.5,000/-. Out of the loan, he proposes to invest a sum of Rs.2,500/- in the purchase of

the factory equipment and the balance as working capital. As the capital outlay will exceed Rs.2,000/-, the industry in respect of which the application is made is not a small-scale industry which can be brought under section 14-A of the Act nor can it be considered a cottage industry. as he proposes to start the factory in Mangalore. If the application is to be admitted under the rules, the provisions of section 9 of the Act requiring some initial industrial assets, apart from any other collateral security, will have to be satisfied. As the industry is to be started and as there are no initial industrial assets, the application appears prima facie to be inadmissible under the Act. When the applicant was advised accordingly, the applicant has replied that if state aid is denied to him, he would have to wait for three years for realising his outstandings and he has therefore requested that his application may be treated as a special case, as he is qualified for the business and as there is no industry of this kind in South Kanara.

2. The application was placed before the Board of Industries at its meeting held on the 30th January, 1939, and the Board resolved unanimously not to recommend the grant of loan. I enclose a copy of the Board's resolution together with a copy of the note and other papers circulated to the Board

p 7 encls
p 3 encls

for DIRECTOR OF INDUSTRIES & COMMERCE.

N.K.

NOTE FOR THE BOARD OF INDUSTRIES.

Application from Sri N.P. Subbanna Bhat, B.A., Dip.(Tech.), Soap and Cosmetic Expert, Ninjoor, Heryadka South Kanara, for a loan of Rs.5000/-.

Sri N.P. Subbanna, Ninjoor, has applied for a loan of Rs.5000/- under section 6(a) of the State Aid to Industries Act for the purpose of starting a soap and chemical works, so as to manufacture soaps, disinfectants, cosmetics, etc. A copy of his application is attached.

2. The applicant states that he does not at present possess the required capital to start the industry and he therefore proposes to start it only on receipt of the loan of Rs.5,000/- applied for. Out of the loan, he proposes to invest a sum of Rs.3500/- in the purchase of the factory equipment and the balance as working capital. As the ~~working~~ capital outlay exceeds Rs.2,000/- the industry in respect of which the application is made is not a small scale industry, which can be brought under section 14-A of the Act nor does it appear to be a cottage industry since it is obvious that it will have to be set up in a separate rented premises for which the applicant has made the necessary provision in his estimate. If the application is to be admissible, therefore, the provisions of section 9 of the Act requiring some initial industrial assets, apart from any other collateral security, will have to be satisfied. As the industry is to be started and consequently there is no initial industrial assets, it appears that the application is prima facie inadmissible under the Act The applicant was informed accordingly but he states that if state aid is denied to him, he will have to wait for three years when only he would expect to realise his outstandings, and requests therefore that his application may be treated as a special case, since he is qualified for the business and since there is no industry of this kind in South Kanara.

3. The views of the Board are desired on the merits of the application and as to whether they are prepared to recommend the application.

N.N.

APPLICATION FOR AID UNDER THE STATE AID TO INDUSTRIES ACT, 1922
(No.V of 1923)

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1. Name of applicant and his full address.

N.P. Subbanna Bhat, B.A.,Dip.(Tech)., Soap and Cosmetic Expert, Ninjoor, Heryadka, South Kanara.

2. Nature of the industrial concern for which aid is sought.

Soap and chemical works to manufacture and sell soaps, disinfectants, cosmetics of all sorts, simple varnishes and medicines.

3. The administrative, technical and executive staff to be appointed with qualification.

Factory Manager, Soap experts, a clerk and two servants.

4. The facilities available for the development of the industry.

From the statistics published by the All India Soap Makers' Association, Calcutta, the total number of the Toilet manufacturing concerns in the Madras Presidency is not even half that of other Provinces and therefore there is a vast scope to develop this industry in this Presidency. And secondly in South Kanara and its suburbs there is no industry of this kind.

5. The nature of the processes to be employed.

Non-power.

6. Details of plant and machinery proposed to be installed at the works.

Soaps, pans, stamping machines, oil refining and sieving arrangements.

7. The total estimated cost of the undertaking and the probable time that will be occupied in its concern. (Details of recurring and non-recurring expenditure should be furnished separately).

Total cost of the undertaking is Rs.7500/- as shown below, and the probable time that will be occupied in its execution is three months.

DETAILS OF NON-RECURRING EXPENDITURE:

For the factory equipment.

a. Cost of erecting soap pans for direct heat Rs.300

b. Oil refining and sieving arrangements	500/-
c. Stamping machines dyes etc. and Box strapping machines	900
d. Laboratory equipments	600
e. Office equipments	200
Total	Rs. 2,500

Details of recurring expenses.

Pay of the staff-	per month.
a. Soap expert	125
b. Factory manager	50
c. Office clerk	30
d. Two servants	15
e. Rent	30
Total per month	s.250

8. Approximate number of operatives employed or to be employed

9. Estimated net expenditure per annum in running the works.

10. Estimated net profits accruing s.1000/-.

11. Reasons why the business cannot be financed without state assistance. Financial stringency.

12. Nature and extent of state aid applied for (The particular clause of section 6 under which the aid is applied for should be stated. The State aid applied for is under 6(a) for s.5000/-.

13. Security offered -

(a) If land - Land under patta No.16 of Ningoor village, Karkala taluk, South Kanara.

(1) Survey number - 82/18, 111/11, 130/1, 2,3,6,16,131/1, 181/2

(2) Extent 32 acres 85 cents.

(3) Assessment - s.110-14-0.

(4) In whose name registered - Ningoor Puttanna Bhat (Applicant's father.

(b) Nature and description of other security if any offered: NIL

14. Nature and extent of the applicant's right in the concern whether as co-sharer or proprietor or otherwise and his financial resources.

PROPRIETOR.

15. Nature and extent of the applicant's right to the property offered as security. INHERITAL RIGHT.

16. Nature and extent of encumbrances on the immovable property offered as security - Primary or Collateral PRIMARY.

17. Whether any arrears are due on the immovable property offered as security - Primary or collateral and if so, the nature and extent of such arrears. NIL.

18. Period within which and the number of instalments in which the applicant proposes to repay the loan.
Within 20 years with 20 instalments.

19. Approximate additional net income expected to be earned as a result of the proposed expenditure.
Rs.1000/-.

20. If the application is from a joint stock company .... stated.
Proprietory concern.

21. Any other remarks: As this is a proprietory concern the items a, b, &c, are managed by the applicant and his brother under "The details of recurring expenditure" in clause 7.

DECLARATION:-

I, N.P. Subbanna Bhat, declare that the statements made above are true to the best of my information and belief.

Sd. N.P. Subbanna Bhat.

Dated 14th August 1938.

7

EXTRACT.

The Minutes of the Proceedings at the thirty third meeting of the Board of Industries constituted under the Madras State Aid to Industries Act (Act V of 1923) held at the Office of the Director of Industries and Commerce, Madras, on Monday the 30th January 1939 at 11 A.M.

Present:

Chairman.

1. Sri V. Ramakrishna, M.A., I.C.S., Director of Industries and Commerce.

Members.

2. Mr. C.E. Jones, C.I.E., I.C.S., Secretary to Government, Finance Department.
3. " D.Q. Davidson,
4. " F. Howard Oakley.
5. Sri. A. Ranganatha Mudaliar, B.A., B.L.,
6. " Chandulal M. Kothari, B.A., L.L.B.
7. Diwan Bahadur G. Narayanaswami Chettiar, C.I.E.,
8. Sri P.S. Kumaraswami Raja, M.L.A.,
9. " D.L. Narasimharaju, M.L.A.,
10. " S. Rm. Ct. Pl. Palaniappa Chettiar.
11. Rao Bahadur M. Giriappa, Registrar of Cooperative Societies.

The following applications were considered:-

16. Application from Sri N.P. Subbanna Bhat, B.A., Dip.(Tech) Soap and Cosmetic Expert, Ninjoor, Heryadka, South Kanara for a loan of Rs.5,000/- under the State Aid to Industries Act, for Bathing Soap and Chemical Works.

Head note by the Director of Industries and Commerce and connected papers.

Resolved unanimously that the Board is unable to recommend the loan applied for in view of the fact that the applicant has not started the industry and that there are therefore no initial industrial assets, as required by the Act.

41/3/39

Dev. Dept

C.F. 16.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..		
When copied ..		
When examined..		
When signed ..		
When despatched.		

SUBJECT:— Industries

State Aid to Industries Act

Application from Sri N.P. Subbanna Bhat, Nirjoor S. Kanara - loan - rejected

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

No. 46621/38 from the Dte, No. SA 357/38 dated 13.2.1939. CP

" _____/39 " _____ " _____ " _____ 19____.

" _____ " _____ " _____ " _____ 19____.

Order ~~Resolution~~ Ms. ~~Rout.~~ No. 522, dated 3.3. 1939.

H.E. the Governor is precluded under the provisions of Sec 8(5) of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923) from ~~sanctioning~~ the loan applied for by Sri. N.P. Subbanna Bhat, Nirjoor, South Kanara, as the Board of Industries has examined & declined to recommend it. The application is therefore rejected

The Dte

Lio 1/3/39